

George A. Davis
 CADWALADER, WICKERSHAM & TAFT
 One World Financial Center
 New York, NY 10281
 Telephone No.: (212)504-6000
 Facsimile No.: (212) 504-6666

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Peter C. Bernhard (Nevada Bar No. 0734)
 Georganne W. Bradley (Nevada Bar No. 1105)
 BULLIVANT HOUSER BAILEY PC
 3980 Howard Hughes Pkwy., Ste. 550
 Las Vegas, NV 89169
 Telephone No.: (702) 650-6565
 Facsimile No.: (702) 650-2995
 E-Mail: peter.bernhard@bullivant.com
georganne.bradley@bullivant.com
 Counsel for Compass Financial Partners LLC

**UNITED STATES BANKRUPTCY COURT
 DISTRICT OF NEVADA**

In re:
 USA COMMERCIAL MORTGAGE COMPANY,
 Debtor.

Case No. BK-S-06-10725 LBR
 Case No. BK-S-06-10726 LBR
 Case No. BK-S-06-10727 LBR
 Case No. BK-S-06-10728 LBR
 Case No. BK-S-06-10729 LBR

In re:
 USA CAPITAL REALTY ADVISORS, LLC,
 Debtor.

In re:
 USA CAPITAL DIVERSIFIED TRUST DEED
 FUND, LLC,
 Debtor.

Chapter 11

Jointly Administered Under
 Case No. BK-S-06-10725 LBR

In re:
 USA CAPITAL FIRST TRUST DEED FUND,
 LLC,
 Debtor.

In re:
 USA SECURITIES, LLC,
 Debtor.

**COMPASS FINANCIAL PARTNERS'
 RESPONSE TO DEBT ACQUISITION
 COMPANY OF AMERICA'S
 OBJECTION TO PROPOSED ORDER ON
 MOTION TO ENFORCE
 CONFIRMATION ORDER AND
 DETERMINING NO SURVIVING
 SECTION 3 RIGHT EXISTS WITH
 RESPECT TO THE FIESTA OAK
 VALLEY LOAN**

Affects:

- ☐ All Debtors
☒ USA Commercial Mortgage Company
☐ USA Securities, LLC
☐ USA Capital Realty Advisors, LLC
☐ USA Capital Diversified Trust Deed Fund,
 LLC
☐ USA First Trust Deed Fund, LLC

Date: May 11, 2007
 Time: 9:30 a.m.

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1 Compass Financial Partners, LLC ("Compass"), by and through its attorneys of record,
 2 hereby submits this response to the objection filed by Debt Acquisition Company of America
 3 ("DACA") to the form of the proposed "Order Granting Compass Financial Partners' Motion
 4 for Order Enforcing Confirmation Order and Determining No Surviving Section 3 Right Exists
 5 With Respect to the Fiesta Oak Valley Loan" (the "Order"). This response is submitted
 6 pursuant to Local Rule 9021(b)(2)(B) of the Local Rules of Bankruptcy Procedure for the
 7 Bankruptcy Court in the District of Nevada (the "Local Rules"). A copy of the Order is
 8 attached hereto as Exhibit "A" and a copy of a transcript from the ruling portion of the hearing
 9 on the Order is attached hereto as Exhibit "B" for the Court's convenience and ease of
 10 reference.

11 The Order submitted by Compass accurately reflects the Court's ruling on Compass'
 12 Motion for Order Enforcing Confirmation Order and Determining No Surviving Section 3 Right
 13 Exists With Respect to the Fiesta Oak Valley Loan (the "Motion"). DACA's objection is
 14 limited to one point: It wants to add a provision to the Order which states that by the "record
 15 date" established by this Court at the hearing (*i.e.*, the 30th day following the day Compass files
 16 a motion challenging an attempted exercise of a Surviving Section 3 Right) (hereinafter, the
 17 "Record Date"), "Compass must have received in escrow executed assignments of loan interests
 18 sufficient to bring the percentage of designations below 51%."

19 This Court addressed the issue of whether the buyer of a Direct Lender's interest in a
 20 loan would only be considered on the Record Date if executed assignments had been obtained,
 21 but the Court did not rule on the issue. Specifically, the Court stated that it's initial reaction was
 22 that assignments should be obtained by the Record Date, but that Compass could argue that the
 23 Loan Servicing Agreement obligates a Direct Lender to turn over an assignment when Compass
 24 exercises its rights under Section 2(c)(3) of the contract, and that this Court would listen to that
 25 argument.

26 THE COURT: And then maybe you can argue what the contract means, but my
 27 understanding right now would be they have to have the assignment. If they
 28 have an argument that, well, the contract says they've got to turn it over, that
 may be an issue, but that's something you probably should look at and brief
 together first.

1 ...

2 THE COURT: ...actually have the assignments. I'm willing to listen to their
3 arguments based upon the contract and what they have, but that's something that,
4 you know, is legal issues that you reserve the right ... you deserve the right to
5 respond to.

6 *See* page 49 of Transcript, lines 4-9 and lines 20-24, attached hereto.

7 In addition, the Record Date applies not only to Compass, but to any person or entity
8 who acquires fractionalized interests in loans from Direct Lenders. DACA's proposed form of
9 Order, as written, would bind only Compass, and not DACA or any other person or entity who
10 buys a lender's interest in a loan.

11 For the foregoing reasons, DACA's objection should be overruled, and the Court should
12 sign the Order lodged by Compass on May 21, 2007.

13 Dated this 23rd day of May, 2007.

14 CADWALADER, WICKERSHAM & TAFT
15 -and-
16 BULLIVANT HOUSER BAILEY, PC

17 By: Georganne W. Bradley
18 Georganne W. Bradley, Esq.
19 3980 Howard Hughes Pkwy., Ste. 550
20 Las Vegas, Nevada 89169
21 Attorneys for Compass Financial Partners, LLC